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VILLAGE OF PIONEER, LOUISIANA

Financial Report
As of and For the Year Ended June 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

1/13/10

VILLAGE OF PIONEER, LOUISIANA

FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2009

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LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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ACCOUNTANTS' COMPILATION REPORT

Mayor and Board of
Aldermen
Village of Pioneer, Louisiana

We have compiled the accompanying general purpose financial statements of the Village of Pioneer, Louisiana (the Village) as of and for the year ended June 30, 2009 as listed in the Table of Contents in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements, information that is the representation of management of the Village of Pioneer, Louisiana. We have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Generally accepted accounting standards require state and local governments to adopt and report under Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" and No. 37, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus." The Village is not presenting its financial statements under those standards. Those standards require that the Village report information regarding its financial position by governmental activities, business-type activities, each major fund, and the aggregate remaining fund information that comprise the Village's basic financial statements. The standards also require that a management's discussion and analysis be included as supplementary information. The effects of these departures have not been determined.

Management has elected to present the Village's financial statements under the pre- GASB 34 standards (general purpose financial statements) and to omit substantially all of the disclosures required by generally accepted accounting principles. If the GASB 34 presentation (basic financial statements) and the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Village's financial position, results of operations and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Luffey, Huffman, Ragsdale, & Soignier

(A Professional Accounting Corporation)

December 22, 2009

**GENERAL PURPOSE FINANCIAL STATEMENTS
COMBINED STATEMENTS - OVERVIEW**

VILLAGE OF PIONEER, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
JUNE 30, 2009

	GOVERNMENTAL FUND TYPE - GENERAL FUND	PROPRIETARY FUND TYPE - SEWER ENTERPRISE FUND	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS				
Cash	\$ 2,451	\$ 1,723	\$ -	\$ 4,174
Investments	3,326	-	-	3,326
Accounts receivable, net	7,051	1,450	-	8,501
Meter deposits	200	-	-	200
Property, plant, and equipment (net of accumulated depreciation)	-	542,475	200,199	742,674
TOTAL ASSETS	\$ 13,028	\$ 545,648	\$ 200,199	\$ 758,875
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 610	\$ 1,204	\$ -	\$ 1,814
Payroll taxes payable	4,771	-	-	4,771
Customer deposits	-	2,598	-	2,598
Total Liabilities	5,381	3,802	-	9,183
Fund Equity:				
Investment in general fixed assets	-	-	200,199	200,199
Contributed capital (net of accumulated depreciation on fixed assets acquired with Federal grant)	-	554,263	-	554,263
Retained earnings - unreserved	-	(12,417)	-	(12,417)
Fund balance - undesignated	7,647	-	-	7,647
Total Fund Equity	7,647	541,846	200,199	749,692
TOTAL LIABILITIES AND FUND EQUITY	\$ 13,028	\$ 545,648	\$ 200,199	\$ 758,875

See accountants' compilation report

**VILLAGE OF PIONEER, LOUISIANA
 COMBINED STATEMENT OF REVENUES , EXPENDITURES
 AND CHANGES IN FUND BALANCES -
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2009**

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECT FUND</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
REVENUES			
Franchise fees	\$ 5,429	\$ -	\$ 5,429
Occupational licenses	6,106	-	6,106
Insurance licenses	10,012	-	10,012
Intergovernmental revenue - state	4,750	5,000	9,750
Fines	44,088	-	44,088
Other revenue	4,074	-	4,074
Total revenues	<u>74,459</u>	<u>5,000</u>	<u>79,459</u>
EXPENDITURES			
Current:			
General government	29,428	-	29,428
Public safety:			
Police department	40,247	-	40,247
Public works	7,955	-	7,955
Capital Outlay	4,006	-	4,006
Total Expenditures	<u>81,636</u>	<u>-</u>	<u>81,636</u>
Excess (deficiency) of revenues over expenditures	(7,177)	5,000	(2,177)
Other financing sources (uses)			
Transfers in	4,020	-	4,020
Transfers out	-	(5,000)	(5,000)
Total other financing sources (uses)	<u>4,020</u>	<u>(5,000)</u>	<u>(980)</u>
Deficiency of revenues over expenditures and other financing sources	(3,157)	-	(3,157)
Fund Balance at beginning of year	<u>10,804</u>	<u>-</u>	<u>10,804</u>
FUND BALANCE AT END OF YEAR	<u>\$ 7,647</u>	<u>\$ -</u>	<u>\$ 7,647</u>

See accountants' compilation report

VILLAGE OF PIONEER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CASH BASIS) -
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	CASH BASIS BUDGET	CASH BASIS ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues			
Franchise fees	\$ 6,200	\$ 5,696	\$ (504)
Occupational licenses	150	-	(150)
State Grants	3,000	4,750	.
Insurance licenses	15,500	10,812	(4,688)
Fines	16,500	44,088	27,588
Interest income	-	326	326
Other revenue	5,400	2,698	(2,702)
Total revenues	<u>46,750</u>	<u>68,370</u>	<u>19,870</u>
Expenditures			
Current:			
General government			
Salaries and benefits	14,275	16,897	(2,622)
Operating services	7,660	12,211	(4,551)
Materials and supplies	2,200	1,227	973
Capital Outlay	-	1,091	-
Total general government	<u>24,135</u>	<u>31,426</u>	<u>(6,200)</u>
Public safety			
Salaries and benefits	9,425	24,054	(14,629)
Insurance	2,360	2,278	82
Police expense	2,000	13,579	(11,579)
Total Public Safety	<u>13,785</u>	<u>39,911</u>	<u>(26,126)</u>
Public works			
Street expenses	-	1,027	(1,027)
Supplies	1,500	1,291	209
Tractor expenses	1,100	837	263
Utilities	4,000	5,147	(1,147)
Mosquito spraying	200	640	(440)
Total public works	<u>6,800</u>	<u>8,942</u>	<u>(2,142)</u>
Total expenditures	<u>44,720</u>	<u>80,279</u>	<u>(34,468)</u>
Excess of revenues over expenditures	2,030	(11,909)	(14,598)

(Continued)

**VILLAGE OF PIONEER, LOUISIANA
 STATEMENT OF REVENUE, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CASH BASIS) -
 GENERAL FUND (CONCLUDED)
 FOR THE YEAR ENDED JUNE 30, 2009**

	<u>CASH BASIS BUDGET</u>	<u>CASH BASIS ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Other financing sources (uses)			
Transfers in	-	4,020	4,020
Excess of revenue over expenditures and other financing sources (uses)	2,030	(7,889)	(10,578)
Cash Balance at beginning of year	18,467	13,666	(4,801)
CASH BALANCE AT END OF YEAR	<u>\$ 20,497</u>	<u>\$ 5,777</u>	<u>\$ (15,379)</u>

**VILLAGE OF PIONEER, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2009**

Operating revenue	
Sewer fees	\$ 17,113
Operating expenses	
Collection fees	2,204
Depreciation	19,023
Dues and fees	734
Insurance	1,170
Office supplies	32
Payroll taxes	307
Repairs	6,428
Salaries and wages	2,546
Supplies and chemicals	2,090
Utilities	3,369
Total Operating expenses	<u>37,903</u>
Operating loss	(20,790)
Transfers In	980
Adjustment for depreciation on fixed assets acquired with Federal grant	<u>14,549</u>
Net decrease in retained earnings	(5,261)
Retained Earnings at beginning of year	<u>(7,156)</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$ (12,417)</u></u>

See accountants' compilation report

**VILLAGE OF PIONEER, LOUISIANA
STATEMENT OF CASH FLOWS
SEWER ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2009**

Cash flows from operating activities	
Operating loss	\$ (20,790)
Adjustment to reconcile operating loss to net cash provided by operating activities:	
Depreciation	19,023
Changes in assets and liabilities:	
Receivables	(574)
Accounts payable	704
Payroll taxes payable	(108)
Customer deposits	250
Total adjustments	<u>19,295</u>
Net cash used by operating activities	<u>(1,495)</u>
 Cash flows from noncapital financing activities	
Transfers in	<u>980</u>
 Net decrease in cash	 (515)
 Cash at beginning of year	 <u>2,238</u>
 CASH AT END OF YEAR	 <u>\$ 1,723</u>

See accountants' compilation report

**VILLAGE OF PIONEER
SUMMARY STATUS OF PRIOR YEAR MANAGEMENT LETTER**

The following is a summary of the status of the prior year Management Letter included in Luffey, Huffman, Ragsdale & Soignier, CPA's (LHRS) compilation report dated March 2, 2009, covering the compilation of the financial statements of the Village of Pioneer (the Village) as of and for the year ended June 30, 2008.

Due to a failure of the Village's computer system the financial statements for the year ended June 30, 2008 were not able to be filed in timely manner.

Status:

The Village has implemented procedures as recommended by LHRS and now performs biweekly backups of financial information. The financial statements are now being filed in a timely manner for the year ended June 30, 2009.

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MANAGEMENT LETTER

**Mayor and Board of Aldermen
Village of Pioneer, Louisiana**

During our compilation of the general purpose financial statements of the Village of Pioneer (the Village) for the year ended June 30, 2009, we became aware of a certain matter that is an opportunity for strengthening the Village's internal controls and the overall environment for compliance with laws and regulations. This letter will summarize our comments and suggestions regarding this matter. This letter does not affect our compilation report dated December 7, 2009 on the financial statements of the Village.

Finding:

The Local Government Budget Act requires that originally adopted budgets be amended if expenditures and other uses are above budget by 5% or more. However, the total actual expenditures and other financing uses of the General Fund exceeded the total budgeted amount by \$33,300 or 77%.

Recommendation:

We recommend that the Village perform a comprehensive review of budget to actual variances in April or May of each year prior to the commencement of the process for adopting final amended budgets for the current operating period and proposed budgets for the subsequent period. This type of review could also be made quarterly during the year to detect potential material variances as early as possible.

Management's Corrective Action Plan:

We will review the budget in April or May to determine what budget amendments need to be made and to help us propose a budget for the subsequent year.

Luffey, Huffman, Ragsdale, & Soignier

(A Professional Accounting Corporation)

December 22, 2009